

WIPO Arbitration and Mediation Center

Case No. WIPO2022PL10

FINAL AWARD

In the matter of an arbitration under the
WIPO Expedited Arbitration Rules for Domain Name disputes under .PL

between:

Smaily International OÜ
Harju maakond, Tallinn, Kristiine linnaosa
Paldiski mnt 29, 10612
Estonia

Sendsmaily OÜ
Harju maakond, Tallinn, Kristiine linnaosa
Paldiski mnt 29, 10612
Estonia

Claimants

and

iWeb GmbH
Friedrichstr. 171
10117 Berlin
Germany

Respondent

Arbitral Tribunal

Dr. Christian Gassauer-Fleissner

Representative of the Claimants

Ms. Kärt Kuuseväli
Patendibüroo Käosaar Oü Tähe 94
50107 Tartu
Estonia

Representatives of the Respondent

Mr. Michael Hauck
Ms Anselika Smoljar

This is the Award issued by me as Sole Arbitrator in a dispute between Smaily International OÜ and Sendsmaily OÜ (the "Claimants") and iWeb GmbH (the "Respondent") regarding a dispute over the domain name <<https://smaily.pl/>> (the "disputed domain name").

1. THE PROCEEDINGS

1.1. Parties to the Arbitration:

1.1.1 The Claimants are Smaily International OÜ and Sendsmaily OÜ of Estonia.

1.1.2 The Respondent is iWeb GmbH of Germany.

1.2. Arbitration Agreement, Rules and Place of Arbitration:

1.2.1 This case has been submitted under Articles 6-9 of the WIPO Expedited Arbitration Rules for Domain Name disputes under .PL (the "Expedited Rules"; available at <https://www.wipo.int/amc/en/domains/rules/cctld/expedited/pl/index.html>). Both parties have signed the Arbitration Agreement in accordance with Article 6 Expedited Rules.

1.2.2 The version of the Expedited Rules applicable to the present arbitral proceedings is, pursuant to Article 2 (b) Expedited Rules, that in effect as of the date of commencement of this arbitration.

1.2.3 In accordance with Article 34 Expedited Rules, the WIPO Arbitration and Mediation Center (the "Center") has decided that the Place of Arbitration be Vienna, Austria.

1.3. Procedure:

1.3.1. On September 30, 2022, the Claimants transmitted by email to the Center and to the Respondent the Request for Arbitration together with the Statement of Claim (together, the "Statement of Claim") in accordance with Article 10 Expedited Rules.

1.3.2. Pursuant to Article 8 Expedited Rules, the date of commencement of the arbitration is September 30, 2022.

1.3.3. On October 17, 2022, after receipt of the Statement of Acceptance, Impartiality and Independence, the Center appointed the undersigned, Dr. Christian Gassauer-Fleissner, as Sole Arbitrator pursuant to Article 15 Expedited Rules. On the same day, the Respondent transmitted by email to the Center the Answer to the Request and Statement of Defense.

1.3.4. On November 14, 2022, a preparatory conference was conducted pursuant to Article 39 in which the parties agreed to Vienna as the place of arbitration and to the Uniform Domain Name Dispute Resolution Policy (the "UDRP" or the "Policy") as the law applicable to the substance of the dispute. Furthermore, the parties discussed the merits of the case. The parties waived their right to request a hearing and stated that they are not amenable to pursuing a settlement agreement.

1.3.5. On December 16, 2022, with reference to Article 44 and 49 Expedited Rules, the Tribunal declared the proceedings closed.

2. SUMMARY OF SUBMISSIONS

2.1. In its Statement of Claim and during the Preparatory Conference, the Claimants stated the following:

2.1.1. The Claimants are companies incorporated in Estonia offering email marketing and automated email messaging under the mark SMAILY. The first Claimant, Smailly International OÜ, was incorporated on February 16, 2017. The second Claimant, Sendsmailly OÜ, was incorporated on April 20, 2015.

2.1.2. The Claimants are the owners of the trademark SMAILY, European Union Trademark No. 017929606, applied for on July 11, 2018, and registered on July 25, 2019, in respect of services in classes 35 and 38 (the "Claimants' trademark").

2.1.3. The Claimants also own several domain names including the term SMAILY, such as the domain names <sendsmailly.com> registered on September 11, 2009, <smaily.com> registered on December 17, 2014, and <smaily.eu> registered on November 11, 2015.

2.1.4. The Claimants hold that the disputed domain name, registered by the Respondent on August 9, 2017, infringes its trademark.

2.1.5. First, the disputed domain name is confusingly similar to the Claimants' trademark since it incorporates the textual component of this trademark in its entirety. Furthermore, the Respondent uses the disputed domain name for email services, which are identical to the services registered for the Claimants' trademark.

2.1.6. Second, the Respondent has no rights or legitimate interests in respect of the disputed domain name. The Respondent is not commonly known by the disputed domain name and the Claimants never agreed to its use by the Respondent. The Claimants used the SMAILY mark as part of their company and domain names many years before the Respondent registered the disputed domain name. Thus, the Respondent had to be aware of the Claimants' use of the SMAILY mark.

2.1.7. Third, the disputed domain name was registered and is being used in bad faith. By using the domain name for services identical to the services of the Claimants, the Respondent intentionally attempts to attract for commercial gain Internet users to the Respondent's website by creating a likelihood of confusion with the Claimant's trademarks.

2.1.8. The Claimants by way of relief pursuant to Article 36 (a) and (b) Expedited Rules request that the disputed domain name be transferred to the Claimants. Furthermore, the Claimants request that the Respondent bears all the costs of the proceedings

2.2. In its Statement of Defense and during the Preparatory Conference, the Respondent stated the following:

2.2.1. First, the disputed domain name is neither identical nor confusingly similar to a trademark in which the Claimants have rights. The Claimants' trademark is, at most, a word figurative mark, which only protects the figurative elements. The word element SMAILY contained in the Claimants' trademark is a phonetic representation of the English term "smiley", which is mainly used in eastern European languages. Thus, the word element SMAILY is purely generic and descriptive and cannot enjoy protection as a trademark without additional figurative elements. Furthermore, the Claimants' trademark contains a disclaimer in classes 35 and 38 limiting the registered services to "*services only related to email marketing and automated e-mail messaging*". The Respondent, through its sister company MeMail AG, uses the disputed domain name to offer customers the possibility to register an email address under '@smaily.pl'. Thus, the disputed domain

name is used for services that are dissimilar to the services protected by the Claimants' trademark.

2.2.2. Second, the Respondent's use of the disputed domain name to offer email addresses constitutes a legitimate interest in the disputed domain name. Furthermore, the disputed domain name was registered before the application date of the Claimants' trademark. The Claimants' company and domain names containing the SMAILY mark do not confer on the Claimants any relevant rights to the SMAILY mark. Furthermore, the Claimants merely alleged, but have not submitted any evidence, that they used the company and domain names before the registration of the disputed domain name.

2.2.3. Third, the Claimants' trademark was only applied for and registered after the Respondent registered the disputed domain name. Also, there is no evidence that the Claimants offered any goods and services under the SMAILY mark before the registration of the disputed domain name. Furthermore, the Respondent registered the disputed domain name as part of a group of domain names containing similar generic terms, which also shows that the Respondent did not act in bad faith. Moreover, the website the disputed domain name resolves to clearly identifies MeMail as the company providing the services offered under the disputed domain name, which are, furthermore, dissimilar to the services of the Claimants. Thus, the Respondent's use of the disputed domain name does not create a likelihood of confusion with the Claimants' trademarks or, in any other way, impairs or exploits the alleged reputation of the Claimants' mark.

2.2.4. Lastly, the Respondent alleges that the Claimants' behavior amounts to reverse domain hijacking. The Claimants must have known that their request was unfounded. Furthermore, before the commencement of the present proceedings, the Claimants' tried to intimidate the Respondent by making untenable allegations and demanding that the Respondent sign a prepared "Cease and desist letter" without being interested in finding an amicable settlement. Moreover, the Claimants did not mention in the Statement of Claim the disclaimer limiting the services registered for their trademark.

2.2.5. The Respondent by way of relief pursuant to Article 37 Expedited Rules requests that the Tribunal dismisses the claim of the Claimants as unfounded, issues a finding of Reverse Domain Name Hijacking and to order the Claimants to bear all the costs of the arbitration, including the Respondent's costs on a full indemnity basis, including attorney's fees and expenses and all fees and other expenses incurred in participating in the present arbitration proceedings.

3. FINDINGS

3.1. The Applicable Law:

3.1.1 The Claimants and the Respondent signed the Arbitration Agreement on September 1, 2022, and September 8, 2022, respectively. The arbitration agreement includes the following paragraph:

"We, the undersigned parties, hereby agree that the dispute regarding the domain name <smaily.pl> shall be referred to and finally determined by arbitration in accordance with the WIPO Expedited Arbitration Rules for Domain Name Dispute Resolution under .PL."

3.1.2 Article 46 (a) Expedited Rules states:

"The Tribunal shall decide the substance of the dispute in accordance with the law or rules of law that it determines to be appropriate, taking into account any observations which the parties may have made. In all cases, the Tribunal shall decide having due regard to the terms of any relevant contract and taking into account applicable trade usages."

3.1.3 The Claimants and the Respondent submit that the applicable law should be the UDRP. Both parties developed their submissions under the UDRP requirements.

3.1.4 The UDRP was established by ICANN (the Internet Corporation for Assigned Names and Numbers) in 1999. ICANN runs a worldwide accreditation system for domain name registrars for gTLD, and draws up contracts with each registry. The UDRP has achieved wide acceptance since 1999. Paragraph 4 (a)-(c) of the UDRP establishes the substantive rules for the resolution of disputes between domain name owners and third parties, being an accepted international standard for cross-border domain name disputes. Paragraph 4(a)-(c) of the UDRP therefore is an authoritative, well-established and widely known set of transnational rules, designed for disputes, such as the present, relating to domain name registration alleged to infringe established trademarks or service marks. It provides the set of rules with which this dispute has the closest connection.

3.1.5. Moreover, previous Tribunals ruled that the UDRP may be the law according to Article 46(a) Expedited Rules based on which the substance of the dispute should be decided (WIPO2007PL1 Jagex Limited v. Mr Daniel Cox; WIPO2010PL2 Elite Licensing Company SA v. Jack Onopa; WIPO 2020PL2 Cristian Stollber v. MITON CZ, s.r.o.; WIPO 2022PL6 Wayfair LLC v. Rechin Financiar SRL).

3.1.6. For these reasons and pursuant to Article 46 Expedited Rules the Tribunal decides that the appropriate substantive rules applicable to this dispute are those set out in the UDRP.

3.1.7. Paragraph 4(a) of the UDRP requires a Claimant to prove all three of the following elements: (i) that the disputed domain name *"is identical or confusingly similar to a trademark or service mark in which the Claimant has rights"*; (ii) that the respondent has *"no rights or legitimate interests in respect of the domain name"*; and (iii) that the respondent's domain name *"has been registered and is being used in bad faith"*.

3.1.8. Paragraph 4(b) of the UDRP elaborates some circumstances that shall be evidence of the registration and use of the domain name in bad faith. Paragraph 4(c) sets out various circumstances which, if found by the Tribunal to be proven based on the evaluation of all the evidence presented, shall demonstrate that the Respondent has rights and legitimate interests in the disputed domain name.

3.1.9. Thus, in applying the UDRP in this case, the Claimants must prove these three elements in accordance with paragraph 4(a)-(c).

3.2 Paragraph 4(a)(i) UDRP: Identical or Confusingly Similar

3.2.1. The Tribunal finds that the disputed domain name is confusingly similar to the Claimants' "SMAILY" trademark, in which the Claimants have established rights through registration.

3.2.2. Assessment of identity or confusing similarity involves comparing the (alpha-numeric) domain name and the textual components of the relevant mark. To the extent that design (or figurative/stylized) elements would be incapable of representation in domain names, these elements are largely disregarded for purposes of assessing identity or confusing similarity under the first element. Only where design elements comprise the dominant portion of the relevant mark such that they effectively overtake the textual elements in prominence, or where the trademark registration entirely disclaims the textual elements (i.e., the scope of protection afforded to the mark is effectively limited to its stylized elements), UDRP panels may find that the complainant's trademark registration is insufficient by itself to support standing under the UDRP (see paragraph 1.10. of the WIPO Overview 3.0).

3.2.2. The Claimants' trademark consists of the term SMAILY in plain writing and a figurative element, depicting a red square in which a white letter "S" is placed off-center at the bottom left, whereas the lower part of the "S" is not completely visible but partly "outside" the square. As a whole, this figurative element takes up about a quarter of the mark.

3.2.3. The Respondent submits that this figurative element is the dominant portion of the Claimants' trademark and that the term SMAILY on its own cannot enjoin trademark protection since it is a phonetic representation of the English term "smiley" and thus a purely generic term. However, the fact that the term SMAILY has a recognizable meaning cannot call into question its eligibility for trademark protection. It is a basic principle of trademark law that generic terms which are not descriptive of the registered goods and services can function as so-called "arbitrary" trademarks (compare paragraph 2.10. of the WIPO Overview 3.0). There is no indication that the term SMAILY is descriptive of the services of the Claimants' trademark. Furthermore, the figurative element of the Claimants' trademark is not its dominant element, which is already evident from the fact that the textual elements are considerably larger in size than the figurative element. Thus, the assessment of identity or confusing similarity will be carried out by comparing the disputed domain name and the textual components of the Claimants' trademark.

3.2.4. For a finding of confusing similarity under paragraph 4(a)(i) of the UDRP, the threshold is generally modest (*Alfred Dunhill, Inc. v. Registration Private, Domains By Proxy, LLC v. Abdullah Altubayieb*, WIPO Proceeding No. D2017-0209). In cases where a domain name incorporates the entirety of a trademark, or where at least a dominant feature of the relevant mark is recognizable in the domain name, the domain name will normally be considered confusingly similar (see paragraph 1.7. of the WIPO Overview 3.0). Also, the goods and/or services for which the mark is registered or used in commerce, the filing/priority date, date of registration, and date of claimed first use, are not considered relevant to the first element test. These factors may however bear on a panel's further substantive determination under the second and third elements (see paragraph 1.1.2 of the WIPO Overview 3.0).

3.2.10. The disputed domain name consists of the term SMAILY, which is the dominant feature of the Claimants' trademark, and the country code Top-Level Domain ("ccTLD") ".pl". CcTLDs are generally disregarded when evaluating the identity or similarity of the Claimant's mark to the disputed domain name under paragraph 4(a)(i) of the Policy, irrespective of any ordinary meaning that might be ascribed to the ccTLD (see section 1.11 of the WIPO Overview 3.0). Therefore, the disputed domain name is identical to the dominant feature of the Claimants' trademark and thus confusingly similar to this mark.

3.2.11. Accordingly, the Tribunal finds the Claimants have satisfied the requirements of Policy paragraph 4(a)(i).

3.3 Paragraph 4(a)(iii) UDRP: Registered and Used in Bad Faith

3.3.1. The Tribunal finds it appropriate to examine this element before the second element of Paragraph 4(a) UDRP.

3.3.2. Paragraph 4(b) of the Policy provides four, non-exclusive, circumstances that, if found by the Tribunal to be present, shall be evidence of the registration and use of a domain name in bad faith:

"(i) circumstances indicating that you have registered or you have acquired the domain name primarily for the purpose of selling, renting, or otherwise transferring the domain name registration to the complainant who is the owner of the trademark or service mark or to a competitor of that complainant, for valuable consideration in excess of your documented out of pocket costs directly related to the domain name; or

(ii) you have registered the domain name in order to prevent the owner of the trademark or service mark from reflecting the mark in a corresponding domain name, provided that you have engaged in a pattern of such conduct; or

(iii) you have registered the domain name primarily for the purpose of disrupting the business of a competitor; or

(iv) by using the domain name, you have intentionally attempted to attract, for commercial gain, Internet users to your web site or other online location, by creating a likelihood of confusion with the complainant's mark as to the source, sponsorship, affiliation, or endorsement of your web site or location or of a product or service on your web site or location".

3.3.3. Where a respondent registers a domain name before the complainant's trademark rights accrue, UDRP panels will not normally find bad faith on the part of the respondent. As an exception to this general proposition, in certain limited circumstances where the facts of the case establish that the respondent's intent in registering the domain name was to unfairly capitalize on the complainant's nascent (typically as yet unregistered) trademark rights, UDRP panels have been prepared to find that the respondent has acted in bad faith. Such scenarios include registration of a domain name: (i) shortly before or after an announcement of a corporate merger, (ii) further to the respondent's insider knowledge (e.g., a former employee), (iii) further to significant media attention (e.g., in connection with a product launch or prominent event), or (iv) following the complainant's filing of a trademark application (see section 3.8. of the WIPO Overview 3.0).

3.3.4. The Respondent registered the disputed domain name on August 9, 2017. The Claimants' trademark was applied for on July 11, 2018, and registered on July 25, 2019. Thus, the disputed domain name was registered nearly a year before the Claimants' trademark was applied for and nearly two years before it was registered. Furthermore, while the Claimants provided evidence that it registered domain as well as company names containing the SMAILY mark before the registration of the disputed domain name, they failed to provide any evidence that they actually used these domain and company names to offer goods or services before the disputed domain name was registered.

3.3.5. The Claimants thus failed to show that the Respondent was aware of the Claimants' mark or even that the Respondent could have been aware of it when registering the disputed domain name. Thus, the Tribunal finds that the Claimants failed to show that the disputed domain name was registered in bad faith.

3.3.6. Furthermore, there is no evidence that the disputed domain name is or was used in bad faith. In particular, there is no indication that the disputed domain name is used to intentionally attempt to attract, for commercial gain, Internet users to a website of the Respondent, by creating a likelihood of confusion with the Claimants' mark.

3.3.7. Firstly, there is no indication that the Claimants' mark may qualify as a famous or widely-known trademark. Furthermore, the Respondent provided evidence that it registered the disputed domain name as part of a group of generic .pl domains related to email communication and that it now uses the disputed domain name to offer customers the possibility to register an email address under '@smaily.pl'. Thus, it seems likely to the Tribunal that the disputed domain name was registered and is used due to its generic meaning and not to create a likelihood of confusion with the Claimants' mark.

3.3.8. The Tribunal therefore concludes the Claimants have failed to establish the third element of paragraph 4(a) of the Policy.

3.4 Paragraph 4(a)(ii) UDRP: Rights or Legitimate Interests

3.4.1. In light of the Tribunal's finding in respect of bad faith registration and use above, there is no need for the Tribunal to address the issue of whether the Respondent has rights or legitimate interests in respect of the Domain Name.

3.5. Reverse Domain Name Hijacking

3.5.1. Paragraph 15(e) of the Rules for Policy provides that if after considering the submissions the panel finds that the Complaint was brought in bad faith, for example in an attempt at Reverse Domain Name Hijacking ("RDNH") or was brought primarily to harass the domain-name holder, the panel shall declare in its decision that the Complaint was brought in bad faith and constitutes an abuse of the administrative proceeding.

3.5.2. However, panels have consistently found that the mere lack of success of a complaint is not sufficient for a finding of RDNH (see paragraph 4.16 of the WIPO Overview 3.0).

3.5.3. The Tribunal is not persuaded that the circumstances of this case justify a finding of RDNH. The Claimants hold domain name and company name registrations that predate the registration of the disputed domain name. While in the absence of evidence that these company and domain names were used before the registration of the disputed domain name, these registrations cannot lead to a finding of bad faith on the part of the Respondent, they do suggest that the Claimants may plausibly have believed that the Respondent is violating their prior rights.

3.5.4. Also, contrary to the Respondent's assertion, the Tribunal does not find that the Claimants' letter to the Respondent dated January 17, 2022, constitutes undue intimidation of the Respondent. Rather, this letter seems to the Tribunal a standard warning letter common in trademark disputes.

3.5.5. Lastly, the Tribunal is not convinced that the Claimants' intentionally tried to mislead the Tribunal. It is true that the Claimants omitted in the Statement of Claim the disclaimer limiting the services registered for their trademark. However, this disclaimer is already clearly visible in the trademark register extract submitted by the Claimants themselves as an annex to the Statement of Claim. Furthermore, the Claimants even submitted as an annex the request for limitation before the European Union Intellectual Property Office, due to which the disclaimer was added to the Claimants' mark. Therefore, it seems likely to the Tribunal that the omission in the Statement of Claim was a simple mistake by the Claimants.

3.5.6. Thus, the Tribunal does not find that the Claimants have engaged in RDNH.

4. COSTS

4.1. In accordance with Article 56 (a) Expedited Rules, the Tribunal determines the costs of the arbitration at One Thousand Five Hundred Euros (EUR 1,500.00).

4.2. The Respondent has been successful in this arbitration. Further, the Claimants initiated the present proceedings, although it was obvious from the fact the disputed domain name was registered before the Claimants' trademark that they will likely not be successful. Accordingly, pursuant to Articles 56 Expedited Rules, it is ordered that the Claimants shall solely bear the costs of this arbitration in the amount of EUR 1,500.00.

4.3. In the Preparatory Conference, the Tribunal explicitly stated that the parties should provide a written quantification of costs within 14 days if they wish to request the reimbursement of their reasonable expenses pursuant to Article 57. The Respondent did not provide such quantification of costs. Therefore, the Tribunal considers an order for a party's expenses not to be justified.

5. DECISION

5.1. Based on the foregoing considerations and reasons, the Sole Arbitrator issues his Final Award in Vienna, Austria, on December 23 , 2022, holding as follows:

5.1.1. The claim of the Claimants to transfer the domain name <smaily.pl> to them is dismissed.

5.1.4. The Claimants solely bear the cost of this arbitration in the amount of EUR 1,500.00.

6. COMMUNICATION OF THE AWARD

6.1 This Award is signed in five (5) originals and is to be communicated by the WIPO Center as follows:

6.1.1 one original to each of the Claimants, addressed to Claimants;

6.1.2 one original to Respondent, addressed to Respondent;

6.1.3 one original to be retained by the WIPO Center; and

6.1.4 one original retained by the Sole Arbitrator.


Dr. Christian Gassauer-Fleissner
Sole Arbitrator
Place of Arbitration: Vienna, Austria
Dated: December 23, 2022